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Appendix III.

[Vide item X at page 35 **supra.**]

STATEMENT ON THE FOOD SITUATION.

At the end of May 1946, in moving that the food and the cloth situation be taken into consideration, the Hon'ble Sri Prakasam gave a detailed review of the food position of the province and the steps taken since 1942–43 by the Government to handle the problem. It is therefore unnecessary for me to cover the same ground again now. I propose therefore to place before you only a few salient facts which will show how our food resources have been steadily dwindling leading to the present crisis.

2. The Madras Province has been even in normal times deficit in foodgrains and has been dependent largely on imports from Burma and other eastern countries to make up its deficits. The net average annual imports were about 451,000 tons of rice and 10,000 tons of millets. The average annual production of the four pre-war fasli years 1935–36 to 1938–39 was about 4·6 million tons of rice and 2·9 million tons of millets. The average annual imports for the same period were 381,000 tons of rice, 12,000 tons of millets and 64,000 tons of wheat and wheat products. Deducting seed requirements the quantity of cereal foodgrains available for consumption annually amounted to about 7·7 million tons.

3. 1939–40 to 1944–45 were the war years. During the first three years of the war this province was not seriously affected and there was no food problem as such. There was, of course, a rise in the price of foodgrains; but the rise was not very great and foodgrains were available to consumers at reasonable prices. The fall of Burma towards the end of 1941 deprived not only Madras but also other parts of South India (Hyderabad, Mysore, Travancore and Cochin) as also Ceylon of the usual source of imports. In the first half of 1942 these areas bought in Madras to the extent of about 155,000 tons of rice for their immediate needs. Thus, Madras for the first time became a net exporter of rice though as I have said above it has always been deficit in rice and a net importer. The assistance to the adjoining areas was continued in 1942–43 also; the net exports during that year amounted to about 262,000 tons. Towards the end of the year, the Government of India took over the control of the distribution of foodgrains from surplus to deficit areas under their Basic Plans and Madras was relieved of the demands from her neighbours. In 1943–44 and 1944–45, the Government of India gave some assistance to our province. The net imports of rice in 1943–44 were 56,000 tons, and in 1944–45 about 130,000 tons. These quantities do not compare with the normal pre-war annual import of 451,000 tons; but were no doubt of great help. The Grow More Food Campaign

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showed an increase of area under food crops and a reduction in the area under non-food crops. But the effects of the campaign were neutralized by the bad seasons and there was no substantial addition to the food resources of the province. The position of the province in the last three years of the war was as follows :—

Name of the foodgrains.	Average annual production. (TONS.)	Net imports. (TONS.)	Quantity available for consumption deducting seed. (TONS.)
Rice	4,866,667	(a) (—) 76,713	4,632,362
Millets	2,652,000	22,666	2,616,896
Wheat and wheat products ..	1,730	60,436	62,033
	7,520,397	6,389	7,311,291

(a) Net exports as explained above.

It will be noticed from the above that the average quantity available for consumption in the last three years of the war decreased to 7·3 million tons from about 7·7 million tons pre-war. This was partly due to the prevalence of famine in the Ceded Districts which affected the millet yield but chiefly due to the decline in imports. It must be remembered that all this while the population has gone on increasing at the rate of one per cent or nearly five lakhs of persons per year. But no scarcity was actually felt as the normal carry-over was being used up.

4. We thus began the first post-war year 1945–46 year under very difficult conditions. I must explain that the year referred to here and in what follows is the kharif year commencing on the first November. This has been adopted because the Government of India adopt the kharif year for their distribution plans of rice and millets to suit the all-India conditions. We had practically exhausted all our reserves and had to rely entirely on current production supplemented by imports for current consumption. Both the monsoons were in defect and the cyclone did great damage to the crops ripe for harvest in parts of the Circars. The estimated production of rice was 4,241,000 tons against the average of 4,866,667 tons for the previous three years and 2,127,000 tons of millets against the average of 2,652,000 tons for the same period. The year was a bad year for rice and millets all over India, particularly South India. A famine was apprehended and plans were made to mitigate its effects.

5. Though the war had ended normal imports could not be resumed for the countries which used to export rice to India were devastated by war and conditions all over were very unsettled, and sufficient shipping was not available. Besides there were many other countries which had suffered during the war and were claimants for such surplus rice as was available. The Allies set up a body called the I.E.F.C. (International Emergengy Food Council) at Washington to pool the available resources and distribute them equitably. The Government of India had to convince

this body of the justness of the claim of India and as several political and economic considerations swayed the decisions, the assistance given fell short of India's requirements. In any case there was not enough rice to go round and the Government of India had to accept wheat, maize, barley and such other foodgrains, which are not in ordinary use in South India, to make up the quota. From out of the imports and from what could be secured from other parts of India, the Government of India supplied 603,000 tons of foodgrains made up of 268,612 tons of rice, 184,631 tons of wheat and wheat products, 149,757 tons of millets, maize and other unfamiliar grains.

6. At a conference held at Bangalore in February 1946, presided over by His Excellency the Viceroy, it was agreed that, whatever assistance might be forthcoming from abroad, the country should husband its resources carefully, and the decision was taken that the over-all ration in all rationed areas in the country should be reduced to 12 ounces. Immediate effect was given to this decision in this province. The province had naturally to make the best use of its own resources before it could convince the Government of India of its needs and obtain the required help. Statutory rationing and monopoly procurement were already in force in the district of Malabar from 1944. Rural rationing and the system of procuring the entire surplus with the producers on Government account which were in force in six other deficit districts were extended to all the remaining districts in the province, including the surplus areas.

7. It has been the practice to fix the prices of rice and millets at the commencement of each kharif year and keep them unchanged during the year. The prices prevailing at the end of 1944–45 were left unchanged for 1945–46 as it was expected that the season would be normal and that the wages for labour would go down consequent on the closure of military works at the end of the war. Neither of these expectations turned out to be correct and it became necessary to encourage the cultivation of short-term crops and to stimulate procurement by means of bonuses. A bonus at the rate of Rs. 15 per acre was offered for the area brought under food crops in March and April 1946. A bonus at the rate of Re. 1 per maund of paddy and 12 annas and 8 annas per maund of major and minor millets respectively were given for deliveries made during the 1st June and 15th August 1946. Another bonus of Re. 1 per maund of paddy and 8 annas per maund of millets was given for the short-term crops delivered in the months of September to November 1946. An additional bonus of Re. 1 per maund of paddy was given for paddy delivered between 16th September and 31st October 1946, the most critical period. These inducements produced the desired effect and procurement was very successful. Against a target of 1,402,500 tons of rice, the quantity procured amounted to 1,354,766 tons. The millets procured amounted to 120,887 tons against the target of 409,000 tons. Incidentally I may add that these inducements were too successful in that they brought out whatever resources that remained and emptied the granaries. The quantities of rice procured and the

rice imported were not however enough to maintain the 12 oz. ration. The ration of the rice eaters was first reduced to 10 oz. of rice and 2 oz. of other foodgrains, and then in August 1946 to 8 oz. of rice and 4 oz. of other foodgrains. Besides foodgrains, food-stuffs like dehydrated potatoes, sweet potatoes, groundnut toffee and milk powder were imported and sold at subsidized rates. The crisis was tided over, but it cost the Government on the relief measures taken about ten crores of rupees.

8. I must also refer to two new institutions set up during the year as they have a bearing on the food situation during the current year. With a view to associate the non-officials with the food administration and to obviate complaints of high-handedness on the part of food officials, Village, Taluk and District Food Committees were formed. In regard to procurement, they were authorized to scrutinize the demand lists prepared by the officials and settle the quantities to be collected from individual producers and from each village. As you are fairly familiar with the functions and duties of these committees, it is unnecessary for me to go into greater details. The second institution set up was the Producer-cum-Consumers Societies with the aim of eliminating middlemen and black-markets and securing the largest benefits to the producers and consumers alike. The scheme was first tried in the district of Malabar where it worked with a fair amount of success. It was then extended to the delta taluks of East and West Godavari, Kistna and Guntur districts, and the societies were in the course of organization at the end of the calendar year 1946.

9. The year 1946–47 started well. The rainfall in the two monsoons was adequate and there would have been a normal and even a bumper crop but for the heavy rain in December and January. The yield of paddy was in consequence reduced in some districts and millets were affected in several districts. Taking due account of this damage, the yield of rice has been estimated at 4,795,000 tons, that is, 554,000 tons more than the yield in the previous year, and of millets at 2,114,000 tons, about 13,000 tons less than in the previous year. As the prospects thus seemed more favourable, and in the belief that the Government of India would be able to continue their help to the extent required, the rice portion of the ration of rice eaters was raised to 10 oz. from the middle of December, and the decision was being given effect to in the districts as stocks were built up. In December it became known that the Government of India would not be in a position to supply any wheat or wheat products or maize to this Province for some time to come and there was no other grain that could be given for the balance of 2 oz. to make up the 12 oz.. In January it was therefore decided to raise the rice content of the ration to the full 12 oz. But this order could not be introduced in some districts or kept in force for long in other districts as procurement was not proceeding according to expectations and in view of the subsequent intimations that the help the Government of India could render was problematical.

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10. As usual the question of fixing prices for 1946–47 was considered in September 1946 and the recommendation of an *ad hoc* committee that the price of paddy should be raised by a rupee a maund was sent up to the Government of India for approval. The arguments that the prices of foodgrains in Madras were the lowest in India and that the prices had not been allowed to rise to the same extent as in other parts of India were not disputed. But the Government of India decided against any increase in any Province as a matter of all-India policy. They were also against the grant of any bonus either, as it was considered to be a way of getting round the decision against price enhancement. There was great disappointment among producers who considered that they did not have a fair deal since nothing was being done to check the rising costs of cultivation, or the soaring prices of consumers' goods. The grant of the bonuses in the previous year had roused expectations which were rudely quenched by this decision. Procurement did not in the circumstances make a good start and gather momentum as usual. Producers in general refused to give up all hopes of either price increase or bonus later in the year despite frequent denials by the Government and were slow in making deliveries.

11. There were other causes too that retarded procurement. The Village Committees in general showed themselves incapable of considering the needs of areas outside their own villages and invariably underestimated the surpluses for procurement. They increased the strain on rice by freely reclassifying millet-eaters as rice-eaters whenever there was the slightest difficulty in supplying millets. There was a general failure of millets in the upland areas of the Circar districts and rice was smuggled to those areas and sold at very high prices. People in those areas could afford to pay heavy prices as they were making large sums of money by raising industrial crops like tobacco. It is not possible to say how much rice was lost for Government procurement in this way, but there is no doubt that it was considerable. This black-market is reported to continue to flourish in spite of official vigilance for want of public support. Last, but not the least, the newly formed Producers-cum-Consumers Societies in the Circars were not pulling their weight in procurement as they were new to the business. and were in the throes of organization battling with the vested interests which they were intended to supplant. As the following figures show, procurement by the societies in the districts of East and West Godavari was not bad, it was unsatisfactory in Kistna and most disappointing in Guntur :—

PROCUREMENT FROM JANUARY TO MARCH.

(Figures in tons.)

	January to March 1945–46.	January to March 1946–47.		
		By millers.	By societies	Total.
East Godavari	15,605	16,790	11,501	28,291
West Godavari	83,939	20,620	30,421	51,041
Kistna	52,004	46,400	9,410	55,810
Guntur	57,619	10,807	4,060	14,867

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This would not have mattered if the deficit districts could have afforded to wait but they were working with very low stocks and were in need of replenishment.

12. The Government of India had their own difficulties. The millet crop in other parts of India was below normal. The wheat crop over a large part of Central India extending from Hyderabad almost to the foot of the Himalayas was affected by rust and the yield was negligible. The allotment of rice to India for the first half of 1947 was about 400,000 tons and 200,000 tons for the second half of the year. But as the chief source of supply is Burma where conditions are unsettled, receipts were uncertain; only a little over 200,00 tons were actually delivered during the first half of the year. Whatever wheat was imported was required for the wheat importing provinces in North India and the Government of India could spare none for Madras from January onwards. A tentative allotment of 160,000 tons of rice both from internal and external sources was made to this Province for the Kharif year, but we were told that deliveries particularly of rice from overseas was uncertain and depended on actual arrivals. As the availabilities was so uncertain and varied from month to month, the Government of India started the practice of holding a monthly conference of the officers of the deficit provinces and States and distributing what could be fairly depended upon to arrive during the next month among the deficit areas so as to leave them at the end of the month the same proportion of stocks with reference to their commitments. This distribution is equitable as far as it goes; but places the Province in a disadvantageous position owing to universal rationing. In other administrations, people in rationed areas, if stocks run out, could go out to non-rationed areas and buy what they can afford to; specially because producers are not rationed. The consequence of failure of supplies will therefore be more serious in Madras than elsewhere. The prospects of imports for the second half year steadily deteriorated and the Government of India warned us that we should rely mainly on our own resources and make the best use of them. If they can, they will help, but it would be most imprudent to base our plans on their help. The quantities imported up to 28th August 1947 are 121,970 tons of rice, 56,210 tons of wheat and wheat products and 35,073 tons of millets. The Government of India have made an allotment of 7,500 tons of overseas rice and 500 tons of wheat and flour for the month of September and about 6,000 tons of rice are due from Central Provinces and Sind against the quotas previously allotted. It is hoped that these allotments will materialize in time. It seems very unlikely that the Government of India can supply any more rice till the commencement of the next Kharif year on 1st November 1947, but they may be able to spare some wheat and milo from October onwards when it begins to arrive from America.

13. When I took charge as Minister for Food along with other Ministers forming this Government at the end of March 1947, procurement had stopped in Guntur district and there were reports

that there were only about a week's stocks in the statutorily rationed towns and that rural rationing had broken down; this in a district surplus in rice. As the situation was serious and brooked no delay, the agency for procurement entrusted to the producers-cum-consumers societies was suspended and handed back to millers and dealers. The Commissioner of Civil Supplies was deputed to make a special investigation and he reported that restoration of millers was necessary in the districts of Guntur and Kistna and though the societies had not done badly in East and West Godavari districts, millers could have done better. As the stocks in the deficit districts were dropping steadily, it was considered unsafe to continue the experiment of the societies and the procurement agency was restored to the millers in the other three districts also. Other impediments were also removed. Collectors were asked to instruct their officers to fix the targets for procurement for villages themselves based on the performance of last year and the yields this year irrespective of the village committees. They were also authorized to remove co-operative organizations which had been entrusted with procurement in several districts where they found them inefficient and substitute other suitable agencies to do the work. These measures had some effect and procurement improved slightly; but the main grievance of inadequate prices remained. The best that we could do consistent with the price policy of the Government of India was to raise the village-site prices by 4 annas a maund of paddy by adjustments of the margins to the wholesalers and millers. But this was not considered adequate by the producers. The stocks on hand and the future prospects did not warrant the hopes of being able to continue the overall 12 oz. ration and it was reduced to 10 oz. in all districts with effect from 25th May 1947.

14. The Hon'ble Minister for Food and Agriculture (Dr. Rajendra Prasad) visited this Province in May to study the conditions for himself and the Hon'ble Prime Minister and myself had several discussions with him particularly on the question of prices. He found himself unable to agree to any price revision; but promised to consider if a scheme for assistance in the shape of manure was sent up. Procurement was again slowing down, and it became evident that very drastic and urgent steps were necessary if the situation was to be saved. The composition of the ration was readjusted to reduce the demand for rice; it is now 8 oz. rice and 2 oz. of millets (milo), etc., for rice eaters; 1 oz. of rice and 9 oz. of millets, etc., for millet eaters and 3 oz. of rice and 7 oz. millets, etc., for mixed diet eaters; and if they forego rice altogether they may take 12 oz. of millets, milo, maize, etc. The bonus scheme was also sanctioned with retrospective effect, under which for every maund of paddy delivered, half a rupee would be paid in cash and half a rupee will be given as a bonus coupon exchangeable for manure or other accessories of production. The scheme in the light of criticism has been slightly modified to make it more tempting. Assuming 1½ million tons of rice are procured during the years, this scheme will cost approximately six crores of rupees;

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it is proposed to recover half from the consumers, and the Government of India and this Government bear the other half in equal shares. The cost to this Government will be at the least a crore and half of rupees.

15. As the ration particularly the rice ration is very meagre, the Government have arranged for the sale of potatoes in all ration shops at the same rate as it is sold on the Nilgiris, the Government bearing the cost of transport. This subsidy is expected to cost about five lakhs of rupees. Rice imported from other parts of India is sold at the same rate as rice grown in this province to avoid hardship to consumers. As working stocks are low, they have to be frequently transferred from one place to another to avoid a breakdown and the Government bear the transport charges in the interest of consumers. The Government will thus have to spend from 3 to 4 crores of rupees this year also on food subsidies apart from the large staff employed in the Civil Supplies Department.

16. Procurement has of late shown some improvement, but still falls short of expectations. Against a target of 1,787,600 tons of rice, the quantity procured up to 31st August 1947 amounted to 1,204,303 tons and 87,638 tons of millets have been procured out of the target of 148,560 tons and there are only 2 months left. I will not trouble you with detailed figures for districts, but would invite your attention to the procurement in the usually heavy rice surplus districts.

Kharif year 1946–47.

Districts.	Production of rice.	Target fixed for procurement of rice.	Actual procurement from 1st November 1946 to 31st August 1947
	TONS.	TONS.	TONS.
East Godavari	348,000	121,500	83.686
West Godavari	413.000	289,100	172.264
Kistna	336,000	194,900	128,950
Guntur	200,000	64,000	49.065
Nellore	156,000	69,800	43.468
Tanjore	587,000	264,200	212,254

Details of procurement for the last Kharif year 1945–46 were as follows :—

Districts.	Production of rice.	Target fixed for procurement of rice.	Actual procurement in 1945–46.
	TONS.	TONS.	TONS.
East Godavari	313,000	135.4[illegible]8	120,735
West Godavari	309,000	210,325	227.454
Kistna	272,000	215,684	180.167
Guntur	191,000	114,074	117 581
Nellore	109,000	48 439	63,741
Tanjore	572,000	29 ,626	283,492

It will be observed from the above that the northern surplus districts have had a better crop in 1946–47 and all the districts except Tanjore have still considerable quantities to deliver.

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The variations in the target fixed for procurement and the actual procurement in 1945-46 are due to the fact that the target had to be revised thrice during 1945-46 for the following reasons:-

1. There was a cyclone about October 1945 which caused a lot of damage to the crops, in the Circar districts. As a consequence the target had to be lowered.

2. On account of the failure of the Mettur Dam the *thaladi* (second crop) in Tanjore district was similarly affected.

3. In May-June 1946, the yield of *Dalwa* crop in the Circar districts was much higher than was anticipated with the result our target was also raised, and the procurement made accordingly to the target figure.

17. The requirements for the rest of the Kharif year on the present revised scales of rations have been estimated as follows :—

	Rice.	Other grains (millets, wheat, etc.).
	TONS.	TONS.
August 28th to 31st	14,500	1,820
September	141,800	17,800
October	138,600	17,400
One month buffer stock	140,000	17,500
	434,900	54,520
Stocks on 28th August 1947 under Government control	153,378	25,843
Additional quantity required ..	281,522	28,677

The stocks on hand represent nearly five weeks' requirements, but they are very unevenly distributed. Thus Kistna, West Godavari, Tanjore, with reference to their rationed requirements have stocks for about 12 weeks, 20 weeks and 14 weeks respectively, while Malabar, South Kanara, and Coimbatore and Madras have stocks enough for 2 weeks, under a week, 3½ weeks and 2 weeks only. The danger of a breakdown in the deficit districts if supplies do not reach them promptly and regularly is evident. As I have said above, the Government of India are not likely to be able to give any more rice beyond the 13,500 tons referred to above during the rest of this year and the other grains they may spare are not likely to be considerable. It is therefore imperative that if a breakdown and possibly starvation are to be averted, the Province must raise another about 268,000 tons of rice from its own resources. This will have to be done as soon as possible, as the ensuing months are rainy months when processing of rice is likely to be impeded for days and communications are likely to break down. This is our immediate task. We should address ourselves to it with a will. I have visited several districts already and propose to tour as many more as possible to explain the seriousness of the situation and enlist the support and co-operation of the public. My colleagues have also undertaken to do the same and if there is adequate response, we should pull through.

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18. The next Kharif year is not far off, and it is necessary to think of the arrangements for the next year. As the Hon'ble Members are aware, a Provincial Food Council consisting of representatives of all interests was recently constituted and it held its first meeting on 11th August 1947. All the outstanding problems were discussed by that body and I am very grateful for its valuable suggestions. A sub-committee of the Council has been set up to go into the question of prices and suggest suitable prices to be paid for the new crop. As soon as its recommendations are received and examined by the Government, they will try their best to persuade the Government of India to agree to the fixation of prices which, while bearing the interest of consumers in mind, do justice to the producers.

19. The experiences of 1945–46 and 1946–47 serve to show that the Government have taken on themselves a very heavy responsibility by embarking on universal rationing. I compare below the resources for last year and this year :—

	1945–46. TONS.	1946–47. TONS.
Production of rice	4,241,000	4,795,000
Production of millets	2,127,000	2,114,000
Imports	603,000	213,253 (Up to 28th August 1947).
Total ..	6,971,000	7,122,253

The resources in the year 1946–47 are slightly more than in the previous year. Last year, the overall ration never went below 12 oz., this year the maintenance of rationing even at 10 oz. is in grave doubt. The truth is that people are getting tired and impatient of the never ending demands on behalf of the Government. It seems therefore sufficient if the Government limit their responsibilities to areas which need protection, such as towns, industries, deficit parts of districts. It has therefore been suggested that rural rationing may be discontinued except in Malabar and statutory rationing be given up in towns in surplus districts as the crops of the next year are harvested. After all the Government cannot undertake indefinitely the direct feeding of the people and steps should be taken some day, the sooner the better, to restore, as far as may be, the normal channels of distribution.

20. Before I close, I wish to refer to the long range aspect of the food problem. Statistics show that, whatever the results of the Grow More Food campaign may have been, the area under paddy and the yield are almost stationary during the last decade while the area under millets has decreased and the yield has gone down by nearly a million tons. The population keeps on increasing inexorably in geometric ratio of about 1 per cent per year, thus widening the gap between the resources and the demand for food. In the last two years the Government have been spending

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about 14 crores of rupees on food subsidies alone and the Government cannot afford to continue to do so indefinitely. With all its vast resources of land and rivers, Madras has been lining up in a queue begging of other areas for food; it has not been able to buy enough and will not be in the near future able to do so, particularly to feed its increasing population. If the humiliations, anxieties, sufferings and expenses of the last six years are to be avoided, this Province should grow food to provide its population with at least enough for subsistence, if not enough to satisfy the nutritional standards. There should be a reorientation of the Grow More Food Policy and it should be pursued with vigour and with top priority over all other post-war schemes. Else, all talk of progress will come to naught and we shall be in peril.

TAMIL NADU LEGISLATIVE ASSEMBLY
TRUTH ALONE TRIUMPHS

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